

REPORT

PLANNING AND DEVELOPMENT COUNCIL MEETING

MEETING DATE: MAY 16, 2016

FROM: Planning Services Department

16-540

DATE: April 26, 2016

SUBJECT: Heritage Grant Program 2016

LOCATION: Town wide

WARD: Town wide

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RECOMMENDATION:

1. That the 2016 funding allotment as attached in 'Appendix A - Recommended Grant Projects and Maximum Approved Amounts' to the report titled *Heritage Grant Program 2016*, dated April 26, 2016, from the Planning Services department, be approved; and
2. That staff report to the Budget Committee on the options and implications of an ongoing Heritage Grant program.

KEY FACTS:

The following are key points for consideration with respect to this report:

- This is the third and final year of the three year pilot Heritage Grant Program with \$80,000 available in funding each year.
- 23 applications were received requesting over \$138,000 in funding for eligible conservation work on designated heritage properties.
- Restoration projects that improve structural stability and preserve exterior systems such as walls, windows and roofs were given priority during the evaluation process to ensure that the program funding supported the projects most necessary to preserve heritage buildings.
- The Heritage Grant Program has been consistently oversubscribed for each year of the three year pilot program.
- Through the three years of the pilot program, heritage grants have been provided to assist with 68 restoration and conservation projects worth more than \$1,022,500 from an investment of \$240,000 from the town.
- The Heritage Oakville Advisory Committee strongly supports the continuation of the Heritage Grant Program.
- Given the success of the pilot program, staff will report to the Budget Committee on an ongoing Heritage Grant program.

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BACKGROUND:

This is the third and final year of the three year pilot Heritage Grant program, which was approved by Council on June 10, 2013. The grant program was developed to provide funding for owners of properties designated under Part IV or Part V of the *Ontario Heritage Act*. The program sets out eligible conservation work, as well as projects that would not be eligible to receive funding. Grants could be applied for as matching funding up to a maximum contribution of \$15,000.

The Heritage Grant Program was funded as a three year pilot on the basis of \$80,000 per year for three years for a total commitment of \$240,000. A portion of the funding for the pilot grant program came from the Heritage Reserve Fund (\$165,000) and the remaining \$75,000 was provided through the Town's operating budget.

In addition to providing the recommendations for the 2016 heritage grants, which is the third and final year of the Heritage Grant Program, this report also serves as the pilot program review that is required for the consideration of the continuation of the program.

COMMENT/OPTIONS:**2016 Heritage Grant Program Recommendations**

The third year of the Heritage Grant Program was very well-received by owners of heritage designated properties. Heritage planning staff received more than 40 inquiries about the program. The 2016 program was launched the first week of January 2016 and applications were received until March 21, 2016. The third year of the pilot program continued the overall success of the Heritage Grant Program, with 23 applications requesting over \$138,000 in funding for projects that were valued at more than \$370,000.

Heritage planning staff and three members of the Heritage Oakville Advisory Committee formed a working group to evaluate the applications. The working group had the choice to fund six to eight applications to the maximum requested amount or to distribute the grant money to a maximum number of applicants. Given that this is the final year of the program and that many of the applications were for similar projects (i.e. stucco repair, window restorations, repairs to woodwork), the working group felt it was important to distribute the available funding to as many worthy projects as possible. In order to allocate grant funding consistently and fairly, the working group ranked priority projects in order to determine how much funding each project would receive. High priority projects were considered as:

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- Projects that proposed restoration work of a structural nature. These projects included work to roof systems, support beams and foundations necessary to the stability of the historic building.
- Projects that restore existing heritage attributes that are integral to the preservation of the superstructure (wall systems, roof) of the heritage building. Many of these projects involve restoration of historic windows and replacement/new wood storm windows, as well as significant repairs to historic stucco, wood siding and masonry.
- Projects that restore elements of the cultural heritage landscape in Oakville's heritage conservation districts, including care of historic trees.

Due to the high number of applications received, projects identified as lower priority are recommended for a lower amount funding. Low priority projects were considered as:

- Repair of elements not integral to the preservation/stability of the exterior systems of the building.
- Projects that were considered to be owner-initiated changes that, while appropriate for the building, were not considered necessary work.

The working group has recommended that all 23 applications receive some level of funding from the Heritage Grant Program. The recommended projects are attached to this report as Appendix A. The entire \$80,000 available for 2016 has been allotted according to property and project. All applicants will be notified following consideration by Council of the decision regarding their application, and if applicable, the minimum scope of work to be completed. There are no appeals to the Heritage Grant Program. Where the funding provided was reduced from what was requested/ eligible, a reduction to the minimum scope of work has been provided wherever possible and will be stated in the approval letter.

Each approved project has been provided with a 'maximum grant amount', so that they may receive 50% of the costs of their approved projects to the maximum amount. Grant recipients will still be encouraged to complete their entire projects as proposed, but if they are not able to, a minimum scope of work will be required. As long as the grant recipient has met the approved minimum scope of work, the project will be eligible for 50% of the costs up to the maximum approved amount.

As outlined in the Heritage Grant Program Procedures MS-SPR-002-005, grant monies will be provided to approved applicants at the successful completion of the project. Grant recipients are required to contact heritage planning staff to arrange for an inspection to ensure that the completed work matches the approved project. If work does not meet the satisfaction of heritage planning staff, the grant funds will

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be withheld until the project does meet the satisfaction of heritage planning staff. Invoices must also be presented at the inspection to ensure that grant recipients have covered 50% or more of their approved project. In the case that a project has come in under budget and the maximum approved amount is more than 50% of the project costs, the grant recipient will receive only 50% of the final project costs.

Heritage planning staff consider the third year of the pilot heritage grant program a success and look forward to the improvements that will be made to Oakville's heritage properties as a result of this important program.

Heritage Grant Program Review

The "Heritage Incentives" report endorsed by Planning and Development Council on June 10, 2013 recommended a heritage grant program as the most appropriate heritage incentive tool for Oakville and discussed the ways that the success of a pilot program could be monitored at the end of the program:

The program review should include an evaluation of the usefulness of the program to the property owner, community, as well as the ongoing perception of heritage in the community. The program should be measured by: program intake, increase of designations and/or designation requests, feedback from property owners and other stakeholders (possibly through a survey), the quality of completed projects, decrease in property standards orders, and general effect of neighboring properties.

Program Intake

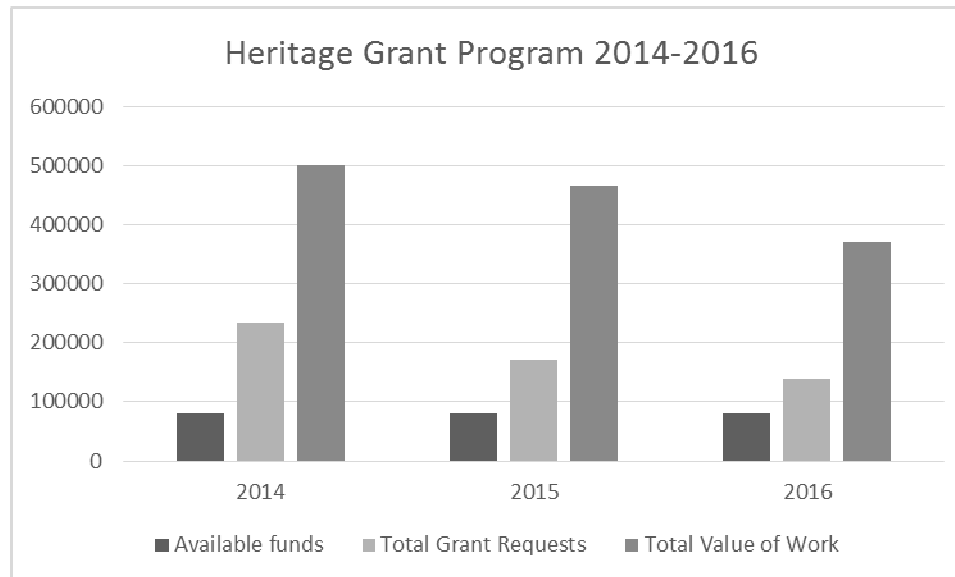
Interest in the Heritage Grant Program has been substantial for each year of the project with heritage planning staff receiving inquiries from 40-50 property owners per year. Each year of the program has been significantly over-subscribed in terms of the grants requested in relation to the grant funding available. Between 23 and 28 complete applications were received each year of the pilot program.

While the amount of funding requested in grant applications has declined from the first year, the number of applications has remained consistent. Heritage planning staff attribute the reduction in requested grant amounts to better guidance from heritage staff on what is eligible for grant funding. This is illustrated in the declining number of projects that applied for funding but were rejected, going from seven rejected projects in 2014 to two rejected projects in 2015 and zero rejected projects in 2016.

In addition, heritage planning staff have worked to manage the expectations of property owners in regards to their grant requests, given that the program intake has been consistently high. For example, in the first year of the program, property owners were encouraged to submit for multiple projects as the projected program

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intake was unknown. In the following two years, heritage planning staff have worked with property owners to submit more realistic grant applications, knowing that most projects would not receive full funding due to the high number of applications.



Impact on Heritage Designations

To date, the impact of the Heritage Grant Program on heritage designations has been minimal. The amount of funding available and the uncertainty of the continuation of the program outside of the three pilot years were not motivating incentives for property owners. A letter was sent to owners of listed, not-designated heritage properties in the summer of 2015 informing them of the opportunity for heritage grants and while a number of inquiries were received by heritage planning staff, ultimately, the incentive was not enough.

Feedback

Feedback received from property owners who have applied for the Heritage Grant Program over the past three years has been generally positive. Property owners appreciate the assistance provided by the town to help cover the premiums that they pay to restore and maintain the heritage elements of their properties.

The main drawback of the program is seen to be the relatively low amount of funding available each year, as each year applications for the program have well exceeded \$80,000. Without the full grant amount requested for their proposed works, some property owners were unable to complete their work or may have put off the work for the next year of the Heritage Grant Program. As one property owner stated: *"I will not be proceeding with any of this work unless there is heritage grant support. Hopefully the level of response by the Oakville residents living in heritage*

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districts demonstrates the growing need for heritage preservation and will lead to a program funding increase in subsequent Town budgets. This is a wonderful new initiative that should continue to be supported."

The remainder of feedback received generally relates to the grant application process. For example, some property owners have experienced difficulty in obtaining two quotes for their projects, likely due to the low numbers of specialized and skilled tradespeople who could perform the work to accepted conservation standards. Other property owners have experienced issues with notification of the grant application periods. Improvements to the grant application process would be the focus of a customer service survey to all participants in the pilot Heritage Grant Program. This survey would be undertaken in the summer of 2016 and would result in process improvements implemented in the 2017 program if the Heritage Grant Program is continued.

Project Quality

In regards to project quality, all inspected works for completed approved grants has met the appropriate heritage conservation standards. The quality of restored windows and new wood storm windows is especially notable.

Impact on Property Standard Orders

The number of property standard orders on designated heritage properties has remained consistently low. Heritage planning staff have found it useful to recommend the Heritage Grant Program to property owners as a way to show that the town wants to support them in maintaining their designated heritage buildings to appropriate conservation standards. Only two property standards orders have been issued on designated heritage buildings since the Heritage Grant Program was introduced in 2014.

General Effect on Neighbouring Properties

While this is slightly difficult to measure, heritage planning staff have noted that the overall impact on the town's heritage conservation districts, specifically the three residential districts, has been positive. Property owners display pride in their homes, which are well maintained and full of character. As one property owner wrote to staff: *"This project is a key part of ensuring the viability of [my property] over the long term so the house may continue to make a substantial contribution to the preserving the historical character of neighbourhood. My wife and I view ourselves as stewards of this essential property, and hope to work in partnership with the Town for the benefit of all citizens."*

Program Funding

The Heritage Grant Program was funded as a three year pilot on the basis of \$80,000 per year for three years for a total commitment of \$240,000. The Heritage

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Reserve Fund provided \$165,000 for the program and the remaining \$75,000 was provided through the Town's operating budget.

The Heritage Reserve Fund is entirely dependent upon contributions occasionally made by developers and property owners and therefore does not provide a reliable and consistent way to fund the heritage grant program. These contributions are sometimes made to compensate for the removal of potential heritage resources, which is not the preferred option for the conservation of the town's cultural heritage resources. A specific funding commitment from Council would be needed to ensure the program's continuing success as heritage planning staff have not been able to identify other sustainable funding alternatives.

Heritage planning staff will be proposing the continuation of the Heritage Grant Program and an increase in the annual funding through the town's budget process. This increase is based on the following:

- The number one issue identified with the program is that the funding is not considered enough to fully support the heritage conservation goals of designated heritage property owners;
- The amount of funding is not significant enough to attract new heritage designations, although an on-going commitment to fund the Heritage Grant Program may impact this as well;
- The program intake for grant requests has well exceeded the amount of funding available every year.

Conclusion

The pilot Heritage Grant Program has been an overwhelming success and has demonstrated the need for financial support and incentives for property owners who are stewards of Oakville's cultural heritage resources. Continuation of the Heritage Grant Program is strongly endorsed by the Heritage Oakville Advisory Committee and heritage planning staff. Through the three years of the pilot program, heritage grants have been provided to assist with 68 restoration and conservation projects worth more than \$1,022,500 from an investment of \$240,000 from the town.

Therefore, heritage planning staff recommends the approval of the 2016 heritage grant amounts as attached in Appendix A and the continuation of the Heritage Grant Program, which will be brought forward to the town's budget process.

CONSIDERATIONS:

(A) PUBLIC

All applicants to the Heritage Grant Program will be notified of the approval/rejection of their application and the grant amount, if approved, following Council approval.

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(B) FINANCIAL

The funding for the Heritage Grant Program would need to be approved through the town's budget process.

(C) IMPACT ON OTHER DEPARTMENTS & USERS

Heritage planning staff will continue to work with the Finance department to approve and release the dedicated funding for the pilot Heritage Grant Program as required. To date, the internal process has worked satisfactorily.

(D) CORPORATE AND/OR DEPARTMENT STRATEGIC GOALS

This report addresses the corporate strategic goal to:

- continuously improve our programs and services
- be innovative in everything we do
- enhance our cultural environment
- be valued/celebrated for outstanding service
- be the most livable town in Canada

(E) COMMUNITY SUSTAINABILITY

This report generally complies with the sustainability objectives of the Livable Oakville Plan.

APPENDICES:

Appendix A – Recommended Grant Projects and Maximum Approved Amounts

Prepared by:
Susan Schappert, CAHP, RPP, MCIP
Heritage Planner

Recommended by:
Diane Childs, RPP, MCIP
Manager, Policy Planning

Submitted by:
Mark H. Simeoni, MCIP, RPP
Director, Planning Services